

GOVERNMENT OF ANDHRA PRADESH  
AGRICULTURE & COOPERATION DEPARTMENT  
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Memo. No. 15791/Coop VII(2)/ 2008-2  
Dated:27.11.2008

Sub : Coop. Deptt. - TTD Employees Coop. Credit Society Ltd., Tirupati – Proposals for exemption u/s 116C of the A.P. Coop. Soceiteis Act 7 of 1964 to the employees working in TTD Employees Coop.Credit Society Ltd., Tirupati – Request - Reg.

Ref : Repn. from Sri B. Karunakar Reddy, Ex-Chiarman, T.T.D. Board of Trustees, Tirupathi through Minister for Coop. Ehdt.No.589/M(Coop)/07, dated 9-11-2008.

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A copy of the reference cited together with its enclosures is herewith sent to the Commissioner for Cooperation and Registrar of Cooperative Societies, A.P., Hyderabad. He is requested to furnish a detailed report in the matter immediately.

P.R.MANAWALLAN  
DEPUTY SECRETARY TO

GOVERNMENT

To

The Commissioner for Cooperation and Registrar of Cooperative Societies,

A.P., Hyderabad. (w.e.)

Copy to:-

P.S. to Minister for Cooperation, Govt. of A.P., Hyderabad w.r. to Endt. No.589/M(Coop.)/08, dated 09.11.2008.

//FORWARDED:: BY ORDER//

SECTION OFFICER

( Issued Memo No.15791/Coop.VII(2)/2008-1, dt. 27.11.2008  
to CC & RCS., A.P., Hyderabad.)  
( Received Letter from CC & RCS., A.P., Hyderabad Lr.Rc.  
No.8197/08/PC4, dt. 21.1.2009.)  
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This file relates to seeking exemption from the provisions of section 116-C of A.P.C.S. Act, 1964 to Tirumala Tirupathi Devstanam Employees Co-operative Credit Society Limited, Tirupati.

With response to the Government Memo, the CC & RCS., A.P., Hyderabad furnished his report at P.25 to 29 c.f. He stated that in his report while sending a copy of letter dated 30.8.08 at p. c.f. the Hon'ble MLA., Tirupathi an copies of letters dated 20.,8.08 and 9.11.08 of the Ex-Chairman, TTD Board of Trustees respectively, requested the CC & RCS to furnish the report / remarks in the matter. Further, he stated that the Hon'ble MLA., Tirupathi requested for exemption of TTD Employees Co-operative Credit Society Limited, Tirupati from the provisions of section 116-C of APSCS Act, 1964 as the case of S.V. University consumers Cooperative Stores Limited. The Ex-Chairman, TTD Board of Trustees has also requested for exemption of TTD Employees Coop. Credit Society Limited, Tirupathi from the provisions of Section 116-C of APSCS Act, 1964 informing that the society is not having any financial assistance from the Government and it is purely running with the financial assistance of the TTD with sound mind and a proposal is received from TTD Employees Coop. Credit Society Ltd., Tirupati seeking exemption from the provisions of section 116-C of APSCS Act, 1964 for a period of five years from 06-07 onwards. The District Cooperative Officer, Chittoor, informed that the society earned net profit for the last three year i.e. 2004-05, 2005-06, 2006-07 and the establishment charges of the society during year 2005-06 are within the norms prescribed u/s116-C of APSCS Act, 1964 and he further informed that the actual expenditure on establishment of the staff has never exceeded more than 2% of working capital for the year from 2003-04 to 2006-07 and it is to inform that as per section 116-C(1) of APSCS Act,1964 "A society shall have power to fix the staffing pattern qualifications, pay scales and other allowances for its employees shall not

exceeded two percent of the working capital and thirty percent of the gross profit, in terms of actuals in a year **whichever is less.** And as per Rules 28(4)(b) of APCS Rules 1964 " revision of any of the service rules or pay scales etc., shall be made by the General Body on the recommendation of the Managing Committee provided the expenditure towards pay and allowances of the employees are less than 2% of the working capital or less than 30% of the Gross Profit whichever is less under intimation to CC & RCS. Provided further that it is found to be in excess of the said norms either in Audit, Inspection or Inquiry the excess so spent shall be recoverable from members of the Managing Committee concerned u/s 60(1) of the APCS Act and the Registrar shall have the powers to cancel such pay revision or modify it as deemed fit and adjust securities furnished by the paid servants and it is to inform further that Govt. vide G.O.Rt.No.1053 A & C (Coop-I) Dept., dtd. 25.8.2008 at P.29 c.f. exempted Sri Venkateswara Consumers Co-op. Stores Limited, Tirupathi from the provisions of section 116-C of APCS Act, 1964 for a further period of one year i.e. upto 31-3-2009 subject to the following conditions:

- (i) The society should not incur any loss during the year
- (ii) The society should expand its business operations by taking up new areas of consumer business.
- (iii) The society should not pay D.A. and pay increases, and other allowances to its employees till they reaches a position to meet the requirements of section 116-C of APCS Act 1964 positively within the next 1 year.
- (iv) The posts vacant consequent on retirement of employees should not be filled for a period of 3 years or till it complies with the provisions of Sec. 116-C whichever is earlier either by promotion or direct recruitment.

In view of the above information, the Commissioner for Cooperation and Registrar for Cooperative Societies, A.P., Hyderabad is requested the Government to take a decision in the matter keeping

in view the provisions of APCS Act and Rules 1964 and exemption given earlier to other types of societies.

In the above position, it is submitted for orders whether the opinion of CC & RCS., A.P., Hyderabad at para may agreed.

After orders are passed, the file is circulated to M (Cooperation) for approval.

GOVERNMENT OF ANDHRA PRADESH  
AGRICULTURE & COOPERATION DEPARTMENT

Memo. No. 15791/Coop VII(2)/ 2008-2  
Dated:21.02.2009

Sub : Coop. Deptt. - TTD Employees Coop. Credit Society Ltd., Tirupati – Proposals for exemption u/s 116© of the A.P. Coop. Soceiteis Act 7 of 1964 to the employees working in TTD Employees Coop. Credit Society Ltd., Tirupati –  
Final Comments as Head of the Dept. - Request - Reg.

Ref : 1. Repn. from Sri B. Karunakar Reddy, Ex-Chiarman, T.T.D. Board of Trustees, Tirupathi through Minister for Coop.  
Ehd.No.589/M(Coop)/07, dated 9-11-2008.  
2. Govt. Memo No. 15791/Coop.VII(2)/08-1, dt. 27.11.2008.  
3. Letter from CC & RCS., A.P., Hyd., Lr.Rc.No.8197/08/PC4, dt. 21.12.2009.

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In continuation of Government Memo 2<sup>nd</sup> cited, the Commissioner for Cooperation and Registrar of Cooperative Societies, A.P., Hyderabad is invited to the references cited and he is requested to furnish his final comments on the above proposal as a Head of the Department.

A. Narasimha Chary,  
Deputy Secretary to Govt.

To  
The Commissioner for Cooperation  
and Registrar of Cooperative Societies,  
A.P., Hyderabad.

//forwarded :: by order//

SECTION OFFICER.

( Issued Memo No.15791/Coop.VII(2)/2008-1, dt. 27.11.2008 to CC &

RCS.,

A.P., Hyderabad.)

( Received Letter from CC & RCS., A.P., Hyderabad Lr.Rc.

No.8197 / 08 / PC4, dt. 21.1.2009.)

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With reference to the Government Memo, the CC & RCS., A.P., Hyderabad furnished his report at P 31 c.f. and notes at pages to 1 to 5 n.f. may kindly be perused.

The CC & RCS., A.P., Hyderabad stated in his report that a proposal of TTD Employees Cooperative Credit Society Limited, Tirupati for exemption from the provisions of section 116-C(1) of APSCS Act, 1964 was sent to Government enlightening the provisions of section 116-C(1) and the conditions imposed by the Government, mentioning about the exemption from the Venkateswara Consumers Cooperative Stores Limited, Tirupati from the provisions of section 116-C of APSCS Act, 1964 and further the Government again requested the CC & RCS to furnish final comments on the proposal of TTD Employees Cooperative Credit Society Limited, Tirupati. In this connection, the CC & RCS., A.P., Hyderabad informed that the TTD Employees Cooperative Credit society Limited, Tirupati has sent a proposal for exemption from the provisions of Section 116-C(1) of A.P.C.S. Act, 1964 at P. 1-11 c.f. The D.C.O., Chittoor has also recommended the proposal of the society stating that the society is doing credit activities with its

own funds and running on profits and complies with the provisions of Section 116-C of APCS Act, 1964.

Finally, the CC & RCS., A.P., Hyderabad stated in his report that as there is no financial assistance to the said society from Government as the society is running on profits the proposal of the society for exemption from the provisions of the Section 116-C(1) of APCS Act, 1964 may be considered imposing certain conditions as was imposed in the case of Sri M. Venkateswara Consumers Cooperative Stores Limited, Tirupati vide G.O. Rt. No. 1053 Agriculture and Cooperation (Coop.-I) Department, dated 25.8.2008. at P.27 c.f.

With the above information, the file is submitted for orders. After orders are passed, the file is circulated to M( Coop.) for information.

#### NOTE FOR CIRCULATION

This file relates to the proposal seeking exemption from the provisions of section 116-C of A.P.C.S. Act, 1964 to Tirumala Tirupathi Devastanam Employees Co-operative Credit Society Limited, Tirupati.

Submitted that while sending a copy of letter dated 30.8.2008 of Hon'ble MLA., Tirupati and copies of letters dated 20.8.2008 and 9.11.2009 of the Ex-Chairman, TTD Board of Trustees respectively, the CC & RCS was requested to furnish his report / remarks in the matter. In reply, the CC & RCS., has stated that the Hon'ble MLA., Tirupathi requested for exemption of TTD Employees Co-operative Credit Society Limited, Tirupati from the provisions of Section 116-C of APCS Act, 1964 as the case of S.V. University Consumers Cooperative Stores Limited. The Ex. Chairman, TTD Board of Trustees has also requested for exemption of TTD Employees Coop.Credit Society Limited, Tirupathi from the provisions of Section 116-C of APCS Act, 1964 informing that the society is not having any financial assistance from the Government and it is purely running with the financial assistance of the TTD with sound mind

and a proposal is received from TTD Employees Coop. Credit Society Limited at P.3 to P.5 c.f. seeking exemption from the provisions of section 116-C of APSCS Act, 1964 for a period of five years period of five years from 06-07 onwards. The District Cooperative Officer, Chittoor, informed at P.7 to P.9 c.f. that the society earned net profit for the last three year i.e. 2004-05, 2005-06, 2006-07 and the establishment charges of the society during year 2005-06 are within the norms prescribed u/s116-C of APSCS Act, 1964 and he further informed that the actual expenditure on establishment of the staff has never exceeded more than 2% of working capital for the years from 2003-04 to 2006-07 and also informed that as per section 116-C(1) of APSCS Act,1964 “A society shall have power to fix the staffing pattern qualifications, pay scales and other allowances for its employees shall not exceed two percent of the working capital and thirty percent of the gross profit, in terms of actuals in a year whichever is less. And as per Rules 28(4)(b) of APSCS Rules 1964 “ revision of any of the service rules or pay scales etc., shall be made by the General Body on the recommendation of the Managing Committee provided the expenditure towards pay and allowances of the employees are less than 2% of the working capital or less than 30% of the Gross Profit whichever is less under intimation to CC & RCS. Provided further that it is found to be in excess of the said norms either in Audit, Inspection or Inquiry the excess so spent shall be recoverable from members of the Managing Committee concerned u/s 60(1) of the APSCS Act and the Registrar shall have the powers to cancel such pay revision or modify it as deemed fit and adjust securities furnished by the paid servants and it is to inform further that Govt. vide G.O.Rt.No.1053 A & C (Coop-I) Dept., dtd. 25.8.2008 have exempted Sri Venkateswara Consumers Co-op. Stores Limited, Tirupathi from the provisions of section 116-C of APCS Act, 1964 for a further period of one year i.e. upto 31-3-2009 subject to the following conditions:

- (i) The society should not incur any loss during the year
- (ii) The society should expand its business operations by taking up new areas of consumer business.

- (iii) The society should not pay D.A. and pay increases, and other allowances to its employees till they reaches a position to meet the requirements of section 116-C of APCS Act 1964 positively within the next 1 year.
- (iv) The posts vacant consequent on retirement of employees should not be filled for a period of 3 years or till it complies with the provisions of Sec. 116-C whichever is earlier either by promotion or direct recruitment.

It is further submitted that when the Government have requested the CC & RCS to furnish final comments on the proposal of TTD Employees Cooperative Credit Society Limited, Tirupati, the CC & RCS., A.P., Hyderabad, has informed that the TTD Employees Cooperative Credit society Limited, Tirupati has sent a proposal for exemption from the provisions of Section 116-C(1) of A.P.C.S. Act, 1964 at P. 1-11 c.f. The D.C.O., Chittoor has also recommended the proposal of the society stating that the society is doing credit activities with its own funds and running on profits and complies with the provisions of Section 116-C of APCS Act, 1964.

Finally, the CC & RCS., A.P., Hyderabad stated that as there is no financial assistance to the said society from Government and the society is running on profits, the proposal of the society for exemption from the provisions of the Section 116-C(1) of APCS Act, 1964 may be considered imposing certain conditions as was imposed in the case of Sri M. Venkateswara Consumers Cooperative Stores Limited, Tirupati vide G.O. Rt. No. 1053 Agriculture and Cooperation (Coop.-I) Department, dated 25.8.2008. at P.27 c.f. In this connection, the Commissioner for Cooperation and Registrar for Cooperative Societies, A.P., Hyderabad has requested the Government to take a decision in the matter keeping in

view the provisions of APCS Act and Rules 1964 and exemption given earlier to other types of societies.

In this connection, it is submitted that Govt. vide G.O.Rt.No.1053, A&C(Coop.I) Deptt., dated 25-8-2008 have issued orders exempting Sri. Venkateswara University Consumers Cooperative Stores Ltd., Tirupati from the provisions of Section 116-C of APCS Act, 1964, for a period of one year ie., upto 31-3-2009.subject to certain conditions stipulated therein. The Section 116-C(1) of APCS Act,1964 states that "expenditure towards pay and allowances of the employees working in any Coop. Society shall not exceed two percent of the working capital or thirty percent of the gross profit, in terms of actuals in a year whichever is less."

In view of the above position, and based on the recommendations of CC & RCS., A.P., Hyderabad at para on Page ante, it is for orders whether the proposal for exempting Tirumala Tirupathi Devastanam Employees Co-operative Credit Society Limited, Tirupati from the provisions of the Section 116-C(1) of APCS Act, 1964 for a period of one year, may be considered duly imposing certain conditions as was done in the case of Sri M. Venkateswara Consumers Cooperative Stores Limited, Tirupati in G.O. Rt. No. 1053 Agriculture and Cooperation (Coop.-I) Department, dated 25.8.2008.

The file may be circulated Minister (Cooperation) for orders on Para above.

## **A B S T R A C T**

Cooperation Department - Tirumala Tirupathi Devastanam Employees Co-operative Credit Society Limited, Tirupati - Exemption from the provisions of the Section 116-C (1) of the APSCS Act, 1994 for a period of one year - Imposed - Certain Conditions - Orders - Issued.

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G.O. Rt. No.

Dated .06.2009.

From CC & RCS., AP., Hyderabad Lr.Rc.No.8197/0/PC4  
Dt. 21.1.2009 & dt. 9.4.2009.  
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### **O R D E R:-**

In the circumstances reported by the Commissioner for Cooperation and Registrar for Cooperative Societies, A.P., Hyderabad in his letter read above, Government after careful examination hereby accord permission to Tirumala Tirupathi Devastanam Employees Co-operative Credit Society Limited, Tirupati from the provisions of Section 116-C(1) of APSCS Act 1964 for a period of one year, may be considered duly imposing certain conditions as was imposed in the case of Sri M. Venkateswara Consumers Cooperative Stores Limited, Tirupati in G.O. Rt. No.1053 Agriculture and Cooperation (Coop.I) Department, dated 25.8.2008 so as to pay the salaries to its employees subject to the following conditions:

1. The society should not incur any loss during the year.
2. The society should expand its business operations by taking up new areas of consumer business.

3. The society should not pay DA and Pay increases, and other allowances to its employees till they reaches a position to meet the requirements of Section 116-C(1) of APCS Act, 1964 positively within the next one year.
4. The posts vacant consequent on retirement of employees should not be filled for a period of 3 years or till it complies with the provisions of Section 116-C whichever is earlier either by promotion or direct recruitment.

The Commissioner for Cooperation & Registrar for Cooperative Societies, A.P., Hyderabad / District Cooperative Officer,,, Chittoor are requested to take necessary action accordingly.

To

The Commissioner for Cooperation & Registrar for Cooperative Societies,  
Andhra Pradesh, Hyderabad.

Copy to:

The District Cooperative Officer, Chittoor,  
The P.S. for Minister for (Coop)  
The PS to Prl. Secretary, (Cooperation & Marketing)  
SF / SC.